



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

<b>Bill #</b>	HB0390	<b>Title:</b>	Telephone account wagering on internet horseracing
<b>Primary Sponsor:</b>	Nooney, Bill	<b>Status:</b>	Select status

- ☐ Significant Local Gov Impact      ☒ Needs to be included in HB 2      ☐ Technical Concerns
- ☐ Included in the Executive Budget      ☐ Significant Long-Term Impacts      ☒ Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b>Expenditures:</b>				
State Special Revenue	\$182,000	\$182,000	\$182,000	\$182,000
<b>Revenue:</b>				
State Special Revenue	\$182,000	\$182,000	\$182,000	\$182,000
<b>Net Impact-General Fund Balance</b>	\$0	\$0	\$0	\$0

### Description of Fiscal Impact:

HB 390 would allow advance deposit account wagering on horseracing by internet or phone.

### FISCAL ANALYSIS

#### Assumptions:

#### **Department of Livestock (DOL)**

1. The Board of Livestock is administrative attached to the DOL. The bill adds the authority to the board to conduct and supervise advance deposit wagering.
2. HB 390 would allow advance deposit wagering, currently occurring but not legal in Montana, via out-of-state hubs that are not presently licensed by the Montana Board of Horse Racing.
3. It is estimated that Montanans presently wager \$2,600,000 through such hubs each year.
4. The DOL assumes the percentage to be set forth in its license agreements in Section 3(7)(f) is 7%. Therefore, 7% of the source market revenue or \$182,000 will be allocated to Montana. ( $0.07 \times \$2,600,000 = \$182,000$ )

5. The bill directs 80% or \$145,600 of the Montana allocation will pass through to Montana Horse Race tracks. ( $0.80 \times \$182,000 = \$145,600$ )
6. Half of the remaining \$36,400 or \$18,200 will be allocated to the Montana Board of Horse Racing to regulate such wagering. ( $\$182,000 - \$145,600 = \$36,400 \times 0.50 = \$18,200$ )
7. The remaining \$18,200 will be divided evenly between the owner's bonus program and the breeder's bonus program.
8. Additional revenue for five wagering hubs to be licensed per section 3(7) at \$250.00 each for an estimated increase of \$750.00 each year.

	<b><u>FY 2008 Difference</u></b>	<b><u>FY 2009 Difference</u></b>	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$18,200	\$18,200	\$18,200	\$18,200
Transfers	<u>\$163,800</u>	<u>\$163,800</u>	<u>\$163,800</u>	<u>\$163,800</u>
<b>TOTAL Expenditures</b>	<b><u><u>\$182,000</u></u></b>	<b><u><u>\$182,000</u></u></b>	<b><u><u>\$182,000</u></u></b>	<b><u><u>\$182,000</u></u></b>
<b><u>Funding of Expenditures:</u></b>				
State Special Revenue (02)	\$182,000	\$182,000	\$182,000	\$182,000
<b><u>Revenues:</u></b>				
State Special Revenue (02)	\$182,750	\$182,750	\$182,750	\$182,750
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
State Special Revenue (02)	\$750	\$750	\$750	\$750

\_\_\_\_\_  
*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*